



**7710-12**

## **POSTAL SERVICE**

### **39 CFR Part 492**

#### **Collection of Delinquent Non-tax Debts by Administrative Wage**

#### **Garnishment**

**AGENCY:** Postal Service.

**ACTION:** Final rule.

**SUMMARY:** The United States Postal Service (Postal Service) is adding a provision to its regulations to implement the administrative wage garnishment (AWG) provisions of the Debt Collection Improvement Act of 1996 (DCIA), allowing the United States Treasury Bureau of the Fiscal Service (BFS) to collect debts owed to the Postal Service, that the Postal Service refers to BFS for collection, by AWG.

**DATES:** Effective [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER].

**FOR FURTHER INFORMATION CONTACT:** Ruth Stevenson at (202)-268-6724.

#### **SUPPLEMENTARY INFORMATION:**

After providing debtors with the requisite opportunity for notice and review, the Postal Service currently may refer non-tax delinquent debts to BFS, formerly known as the Financial Management Service (FMS), for centralized collection and/or offset. Among other potential collection tools, BFS may utilize AWG to

collect delinquent debts referred to it by federal agencies. AWG allows a federal entity to enforce collection of a debt by garnishing wages the debtor receives from a non-federal employer after affording the debtor with notice and certain administrative proceedings, including the right to a hearing.

Provisions of the DCIA, codified at 31 U.S.C. 3720D, authorize federal agencies to collect non-tax debt owed to the United States by AWG. The United States Department of the Treasury (Treasury) has also issued an implementing regulation at 31 CFR 285.11. However, before BFS may utilize AWG to collect debts that the Postal Service refers to it, the Postal Service must first implement regulations authorizing the collection of non-tax delinquent debt by AWG. The Postal Service is accordingly adding new part 492, containing § 492.1, to title 39 of the Code of Federal Regulations in order to authorize collection of Postal debts by AWG.

This new regulation provides that the Treasury regulation, 31 CFR 285.11, shall apply to AWG proceedings conducted by, or on behalf of, the Postal Service. Section 285.11 includes procedural protections, including notice requirements and hearing procedures, to allow individuals to contest the existence or amount of the debt and/or to assert that collection by garnishment would present an undue hardship prior to collection by AWG. BFS will pursue AWG on behalf of the Postal Service as part of its normal debt collection process. This includes issuing notices to debtors and garnishment orders to employers, as well as conducting required administrative hearings on behalf of

the Postal Service, in accordance with the procedures contained in 31 CFR 285.11.

AWG, which involves the garnishment of wages a debtor receives from a non-federal employer, is a separate procedure from administrative salary offsets taken from current federal employees' salaries (including Postal employees' salaries) in order to satisfy a debt owed to the United States. See 5 U.S.C. 5514; 39 CFR part 961. It is also a distinct procedure from the garnishment of current Postal Service employee and Postal Service Rate employee salaries, as detailed in 39 CFR part 491. Accordingly, the procedures contained in these provisions are not affected by this rule. In addition, the provisions pertaining to administrative offset contained in 39 CFR part 966 are not affected by this rule. As noted, the Postal Service must afford individuals with notice and an opportunity for review prior to referring a debt to the Treasury for collection and/or administrative offset, in accordance with ELM 470-480 and/or 39 CFR part 966, if applicable. Treasury may then determine to pursue collection of the debt by AWG, after providing the debtor with any additional process or procedures required by 31 CFR 285.11.

The Postal Service published the proposed version of this rule on April 24, 2014 (79 FR 22786-87). The Postal Service received no comments. This final version of the rule is unchanged with the exception of a corrected designation of the BFS in new § 492.1(b).

#### **List of Subjects in 39 CFR Part 492**

Administrative practice and procedure, Claims, Wages.

For the reasons stated in the preamble, the Postal Service adds 39 CFR part 492 as set forth below:

**PART 492—ADMINISTRATIVE WAGE GARNISHMENT FROM NON-POSTAL  
SOURCES**

**Sec.**

**492.1 Collection of delinquent non-tax debts by administrative wage  
garnishment.**

**Authority:** 31 U.S.C. 3720D; 39 U.S.C. 204, 401, 2601; 31 CFR 285.11.

**§ 492.1 Collection of delinquent non-tax debts by administrative wage  
garnishment.**

(a) This section provides procedures for the Postal Service to collect money from a debtor's disposable pay by means of administrative wage garnishment, in accordance with 31 U.S.C. 3720D and 31 CFR 285.11, to satisfy delinquent nontax debt owed to the United States.

(b) The Postal Service authorizes the U. S. Department of the Treasury Bureau of the Fiscal Service or its successor entity to collect debts by administrative wage garnishment, and conduct administrative wage garnishment hearings, on behalf of the Postal Service in accordance with the requirements of 31 U.S.C. 3720D and the procedures contained in 31 CFR 285.11.

(c) The Postal Service adopts the provisions of 31 CFR 285.11 in their entirety. The provisions of 31 CFR 285.11 should therefore be read as though

modified to effectuate the application of that regulation to administrative wage garnishment proceedings conducted by, or on behalf of, the U.S. Postal Service.

**Stanley F. Mires,**

*Attorney, Federal Requirements.*

*[FR Doc. 2014-18627 Filed 08/06/2014 at 8:45 am; Publication Date:  
08/07/2014]*